

SECTION 1. PURPOSE

The purpose of this revenue procedure is to establish and maintain for reference purposes a current list of those organizations exempt from federal income tax because they are described in section 501(c) of the Internal Revenue Code that are not required to file an annual information return on Form 990, Return of Organization Exempt from Income Tax. This list does not include organizations, such as private foundations, that are required to file on forms other than the Form 990.

SEC. 2. BACKGROUND

.01 Section 6033(a)(1) of the Code, as amended by the Tax Reform Act of 1969, Pub.L. 91-172, 1969-3 C.B. 10, 27, generally requires the filing of annual information returns by exempt organizations.

.02 Section 6033(a)(2)(A) of the Code provides certain mandatory exceptions to this filing requirement.

.03 In addition, section 6033(a)(2)(B) of the Code provides discretionary exceptions from filing such returns where the Secretary "determines such filing is not necessary to the efficient administration of the internal revenue laws." Section 1.6033-2(g)(6) of the Income Tax Regulations delegates authority to the Commissioner to excuse organizations from the filing requirement. It provides that, "the Commissioner may relieve any organization or class of organizations from filing, in whole or in part, the annual return required by section 6033 where he determines that such returns are not necessary for the efficient administration of the internal revenue laws."

.04 Section 1.6033-2(g)(1) of the regulations provides a partial list of organizations that are not required to file annual returns either because they are excepted by statute or because the Commissioner has exercised the authority referred to above in Sec. 2.03.

.05 In Announcement 82-88, 1982-25 I.R.B. 23, the Commissioner announced that he had exercised his discretionary authority and enlarged a category of exempt organizations that are not required to file Form 990. Exempt Organizations described in section 501(c) of the Code (other than private foundations) the gross receipts of which in each taxable year are normally not more than \$25,000, are excused from filing the annual information return for tax years ending on or after December 31, 1982.

.06 From time to time, the Commissioner may excuse additional organizations from filing such returns by publishing an announcement in the Internal Revenue Bulletin, revising the instructions accompanying Form 990, amending the regulations, or other appropriate publication. As these changes to the filing requirements may occur, subsequent revisions to this procedure will be made.

SEC. 3. ORGANIZATIONS CURRENTLY NOT REQUIRED TO FILE ANNUAL RETURNS

.01 The list of organizations described in section 501(c) of the Code that are not required to file annual returns by reason of section 6033(a)(2) is as follows:

1 A church, an interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church (such as a men's or women's organization, religious school (such as a seminary), mission society, or youth group).

2 A school (described in section 170(b)(1)(a)(A)(ii) of the Code) below college level affiliated with a church or operated by a religious order, even though it is not an integrated auxiliary of a church.

3 A mission society sponsored by or affiliated with one or more churches or church denominations, more than one-half of the activities of which society are conducted in, or directed at persons in, foreign countries.

4 An exclusively religious activity of any religious order.

5 For tax years ending on or after December 31, 1976, and before December 31, 1982, an organization (other than a private foundation) that normally has gross receipts in each taxable year of not more than \$10,000. (See Sec. 4.)

6 For tax years ending on or after December 31, 1982, an organization (other than a private foundation) that normally has gross receipts in each taxable year of not more than \$25,000. (See Sec. 5.)

7 A state institution, whose income is excluded from gross income under section 115.

8 An organization described in section 501(c)(1).

.02 This list does not include organizations, such as private foundations, that are required to file annual information returns on forms other than Form 990.

SEC. 4. DEFINITIONS-NORMALLY NOT MORE THAN \$10,000

For purposes of Sec. 3 above, the annual gross receipts of an organization are normally not more than \$10,000 if:

1 in the case of an organization which has been in existence for one year or less, the organization has received, or donors have pledged to give, gross receipts of \$15,000 or less during the first taxable year of the organization;

2 in the case of an organization which has been in existence for more than one, but less than three years, the average of the gross receipts received by the organization in the first two taxable years is \$12,000 or less; and,

3 in the case of an organization which has been in existence for three years or more, the average of the gross receipts received by the organization in the immediately preceding three years, including the year for which the return would be filed, is \$10,000 or less.

SEC. 5. DEFINITIONS-NORMALLY NOT MORE THAN \$25,000

For purposes of Sec. 3 above, the annual gross receipts of an organization are normally not more than \$25,000 if:

1 in the case of an organization which has been in existence for one year or less, the organization has received, or donors have pledged to give, gross receipts of \$37,500 or less during the first taxable year of the organization;

2 in the case of an organization which has been in existence for more than one, but less than three years, the average of the gross receipts received by the organization in the first two taxable years is \$30,000 or less; and,

3 in the case of an organization which has been in existence for three years or more, the average of the gross receipts received by the organization in the immediately preceding three years, including the year for the return would be filed, is \$25,000 or less.

SEC. 6. EFFECT ON OTHER REVENUE PROCEDURES

Rev. Proc. 80-44 is modified and superseded.